



**Office of the United States Attorney  
District of Arizona**

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**PRESS RELEASE**

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FOR IMMEDIATE RELEASE  
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**TUCSON ACCOUNTANT SENTENCED TO PRISON**

**TUCSON, Arizona** – The United State's Attorney's Office for the District of Arizona announced today that Tucson resident Donald D. Bailey, a former Certified Public Accountant, was sentenced today by United States District Judge Frank R. Zapata to eight months in prison for violating the terms of his probation for filing a false tax return.

On December 10, 1998, Bailey was indicted for attempting to evade or defeat income tax which he owed to the Internal Revenue Service and filing false tax returns for himself and for filing false tax returns on behalf of three small companies in Tucson which resulted in over \$300,000 illegal tax refunds. Bailey had been licensed by the Arizona State Board of Accountancy as a CPA since 1983. He has operated as a sole proprietorship under the name of Donald Bailey CPA and performed tax and accounting services for individuals and businesses.

On May 1, 2000, Bailey plead guilty to one count of willfully making and subscribing to a false U. S. Individual Tax Return which he filed on his behalf, a felony, which was a charge in the indictment. He was thereafter sentenced to a term of probation for one year on the condition that he could no longer represent taxpayers before the Internal Revenue Service and he could not commit any new federal, state or local crimes. Judge Zapata thereafter extended his term of probation to May 10, 2005. A petition was filed on May 9, 2005 to revoke his probation because Bailey had once again filed false and fraudulent tax returns on behalf of two family-held Tucson companies which resulted in approximately \$100,00 illegal tax refunds and because Bailey represented those companies before the IRS concerning those refunds. Following an evidentiary hearing, Judge Zapata found that Bailey had violated both conditions of his probation.

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Following the entry of his guilty plea to one of the counts charged in the indictment, Bailey's license as a certified public accountant was revoked by the Arizona State Board of Accountancy.

The investigation in this case was conducted by special agents of the Criminal Investigation Division of the Internal Revenue Service. The prosecution was handled by Assistant U. S. Attorney Wallace H. Kleindienst of the Tucson Division of the U. S. Attorney's Office.

CASE NUMBER: CR 97-00676-TUC-FRZ  
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